

L0584023

MEMORANDUM OF OIL AND GAS LEASE

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3/10-WV

This Memorandum of Oil and Gas Lease made this 3rd day of December, 2010, by and between Chestnut Holdings, Inc., a Florida corporation, of P.O. Box 5065, Fairmont, WV 26555, hereinafter collectively called "Lessor," and Chesapeake Appalachia, L.L.C., an Oklahoma limited liability company, P.O. Box 18496, Oklahoma City, Oklahoma 73154-0496, hereinafter called "Lessee."

WITNESSETH

For and in consideration of the sum of Ten Dollars (\$10.00) cash in hand paid, and other good and valuable consideration, Lessor did make and execute in favor of Lessee an Oil and Gas Lease dated December 3, 2010, and made effective February 27, 2011, which provides for a five (5) year primary term and an option to renew for an additional two (2) year primary term covering Lessor's interest in the following described lands:

Tax Map No: 10-24

bounded formerly or currently as follows:

| | |
|--------------------------|---------------------------------------|
| On the North by lands of | James Clark; Gary Dobbs; Harold Rush; |
| On the East by lands of | William Yeater; |
| On the South by lands of | Preston Yeater; |
| On the West by lands of | Gladys Briggs; |

Containing 44.350 acres and located in the District of Liberty, Marshall County, State of West Virginia, for the purpose of drilling, operating for, producing and removing oil and gas and all the constituents thereof. Said lands were conveyed to Lessor by virtue of deed dated September 17, 2010 and recorded in said County and State in Deed Book 709, at Page 280. This Lease may be extended beyond the primary term by certain activities including, without limitation, conducting operations, producing oil or gas, or making prescribed payments. This Lease also grants to Lessee a Right of First Refusal to match any top lease covering the leased premises, which right may be exercised by Lessee within fifteen (15) days after receipt of proper notice from Lessor.

This Memorandum of Oil and Gas Lease is being made and filed for the purpose of giving third parties notice of the existence of the Lease described above. The execution, delivery and recordation of this Memorandum of Oil and Gas Lease shall have no effect upon, and is not intended as an amendment of the terms and conditions of the Lease. It is the intent of the Lessor to lease all of Lessor's interest in and to the properties described herein, whether or not the tracts recited herein are properly described, and further it is understood this lease includes all rights owned by the Lessor in the properties described herein.

IN WITNESS WHEREOF this Memorandum of Oil and Gas Lease is executed as of the date first above written.

WITNESS:

Jan Pest
MARSHALL County 12:05:57 PM
Instrument No 1300970
Date Recorded 03/04/2011
Document Type O&G
Pages Recorded 1
Book-Page 725-295
Recording Fee \$5.00
Additional \$6.00

LESSOR:

CHESTNUT HOLDINGS, INC.

Ronald Hayhurst
Ronald Hayhurst, President

WITNESS:

CHESAPEAKE APPALACHIA, L.L.C.
An Oklahoma limited liability company

By: *Lester A. Zitkus*

Its: Vice President - Land, Eastern Division

ACKNOWLEDGMENT

STATE OF WEST VIRGINIA)
COUNTY OF MARION) SS:

On this the 3rd day of DECEMBER 2010, before me, a notary public, the undersigned authority, personally appeared Ronald Hayhurst, acting as President of Chestnut Holdings, Inc., known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he/she/they executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: 11/7/2015
Signature/Notary Public: *Aaron R. Yost*
Name/Notary Public (print): AARON R. YOST

Recorder: Return to Chesapeake Appalachia, L.L.C., Land Dept., P.O. Box 18496, Oklahoma City, Oklahoma 73154-0496.

STATE OF WEST VIRGINIA, MARSHALL COUNTY, SCT.:

I, JAN PEST, Clerk of the County Commission of said County, do hereby certify that the annexed writing, bearing date on the 3rd day of December, was presented for and by me, admitted to record in my office upon the above certificate as to the parties therein named this 4th day of March, 2011 at 12:05 o'clock P.M.

TESTE: *Jan Pest* Clerk.